When to sell?

The upper tail of the topping candle defines the **supply zone**

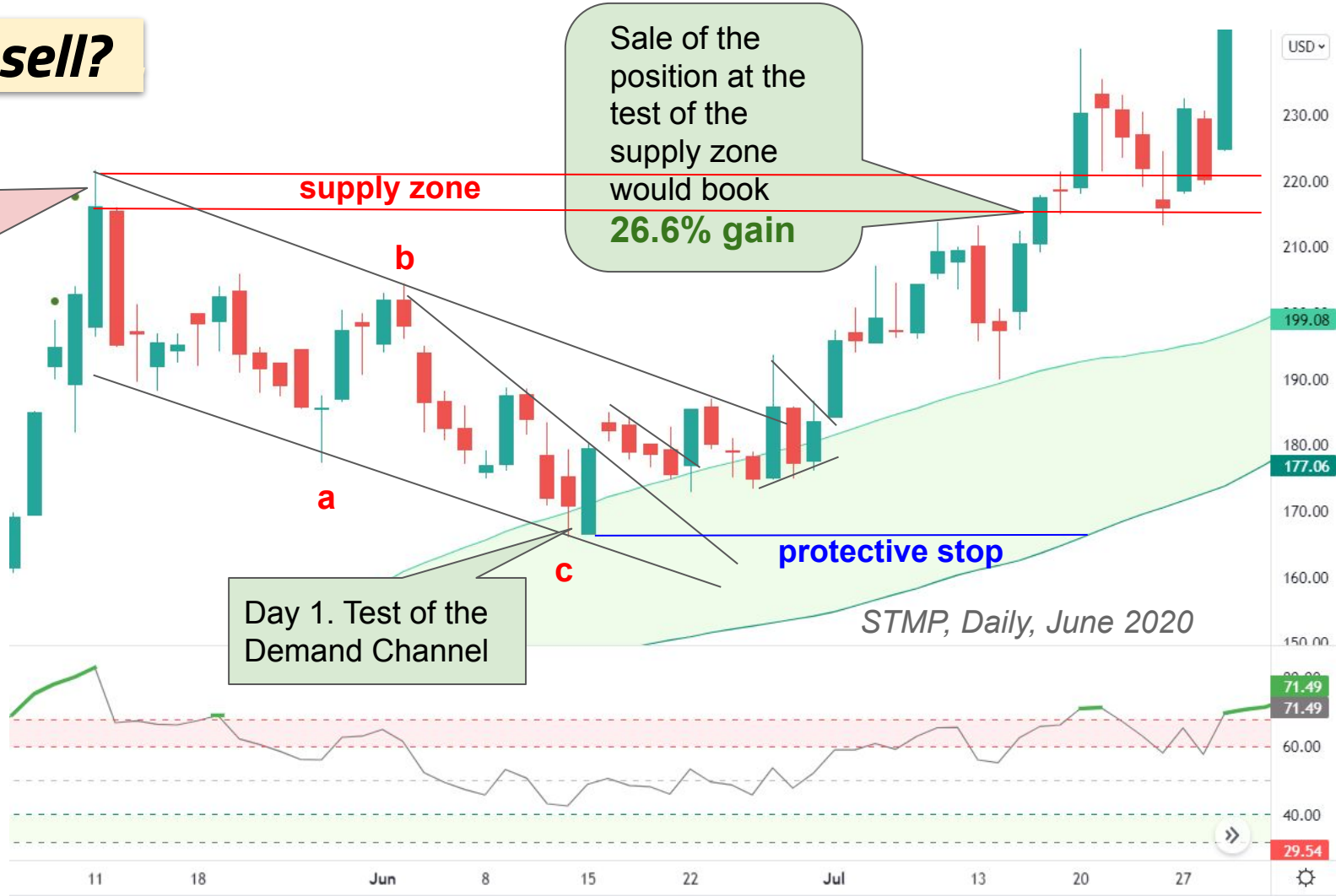
STMP, Daily, June 2020

When to sell?

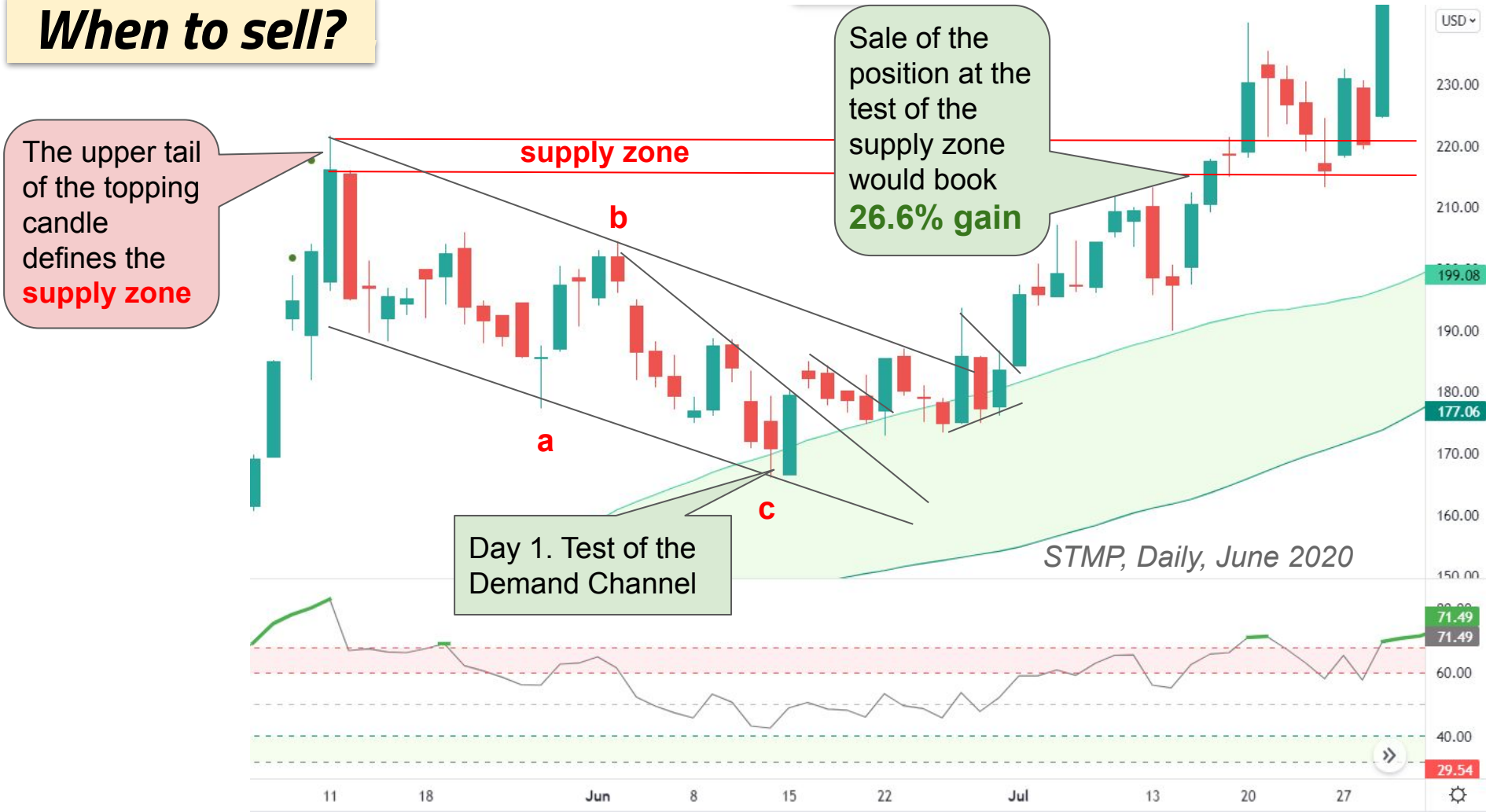
The upper tail of the topping candle defines the supply zone
supply zone
b
a
c
Price formed another micro wedge
protective stop
Day 1. Test of the Demand Channel
STMP, Daily, June 2020
USD
230.00
220.00
210.00
199.08
190.00
180.00
177.06
170.00
160.00
150.00
71.49
71.49
60.00
40.00
29.54
11
18
Jun
8
15
22
Jul
13
20
27

When to sell?

The upper tail of the topping candle defines the **supply zone**



When to sell?


The upper tail of the topping candle defines the supply zone
supply zone
Sale of the position at the test of the supply zone would book 26.6% gain
b
a
c
Day 1. Test of the Demand Channel
STMP, Daily, June 2020
USD
230.00
220.00
210.00
199.08
190.00
180.00
177.06
170.00
160.00
71.49
71.49
60.00
40.00
29.54
11
18
Jun
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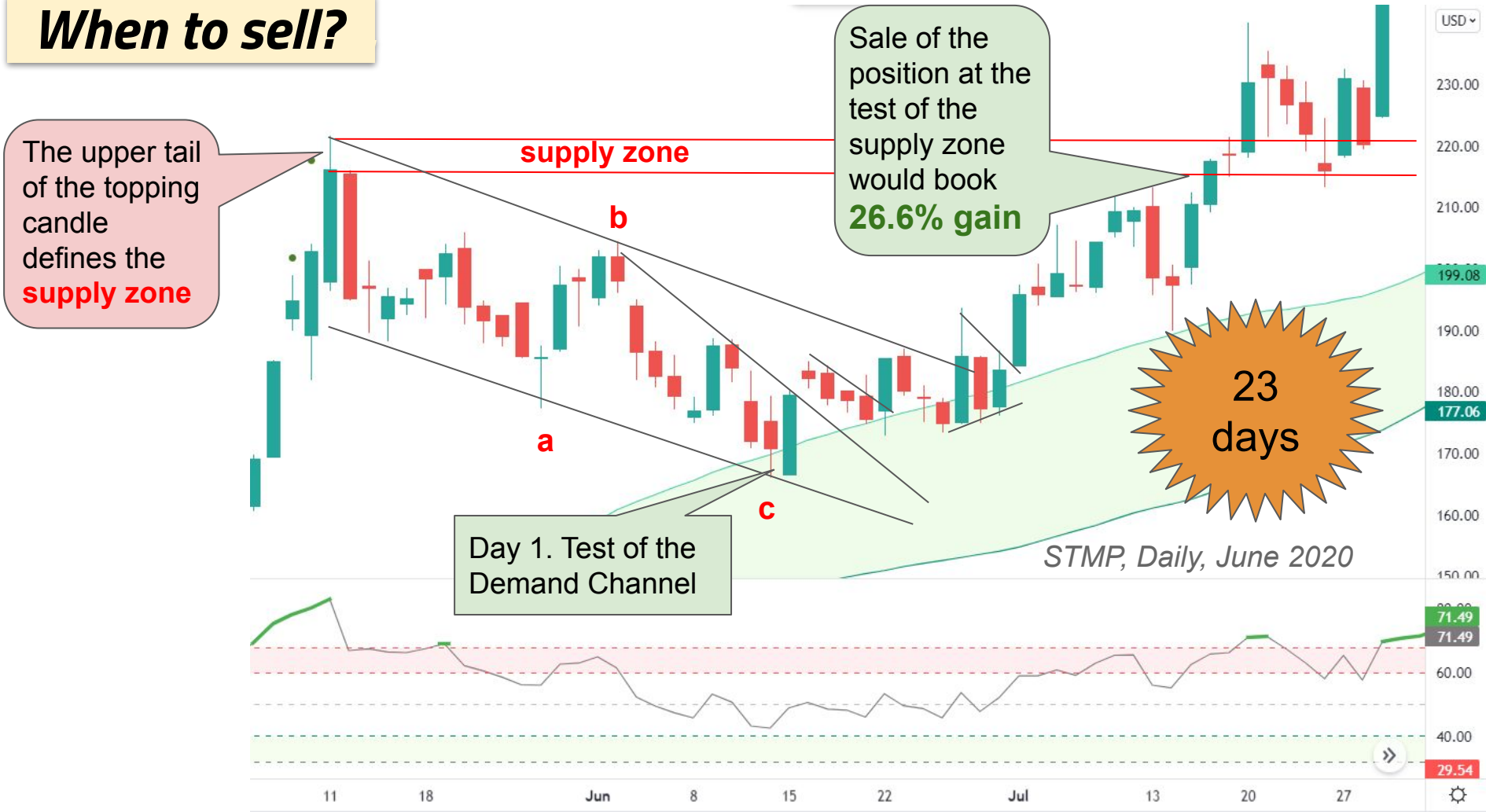
20
27

When to sell?


The upper tail of the topping candle defines the supply zone
supply zone
Sale of the position at the test of the supply zone would book 26.6% gain
b
a
c
23 days
Day 1. Test of the Demand Channel
STMP, Daily, June 2020
USD
230.00
220.00
210.00
199.08
190.00
180.00
177.06
170.00
160.00
71.49
71.49
60.00
40.00
29.54
11
18
Jun
8
15
22
Jul
13
20
27

Takeaways

Your goal is to consistently make money. Do not expect to capture the whole rally. Never regret when price keeps moving higher after you booked a good gain.

Takeaways

- Do not expect price to start a breathtaking rally right after breakout of the wedge, flag or pennant you have been tracking. In many cases price will continue to gradually climbing higher for couple of more weeks

- The safe approach would be to sell at least half of the position as soon as price hits the lower edge of the Supply Zone. Once price hits the upper edge of the Supply Zone you can sell another ¼ of the position. At this point you can leave a sell order that will be automatically executed if and when price drops back under the lower edge of the ***supply zone***.